



ECONOMIC DEVELOPMENT PLAN 2023-2025

The Area Development Foundation, Inc. (the “**Foundation**”) is the central clearinghouse for economic development expertise and activities in Knox County. From guiding workforce development efforts, negotiating public-private partnerships, administering the Knox County Land Bank, and marketing industrial site development, we serve in a number of capacities.

Established in the mid-20th Century to develop industrial parks, the Foundation has evolved as an organization to broaden its areas of emphasis. We believe the practice of economic development in the current era involves so much more than driving around our industrial parks and providing taxpayer-funded incentives to private companies choosing to locate here. Rather, the Foundation has adopted an integrated development strategy, informed by best practices, that **focuses on capacity building to create high-quality jobs, a plentiful supply of qualified workers, and vibrant communities**. Our approach is based on an understanding that Knox County’s economic growth is directly related to the county’s community development. This understanding takes on a multi-faceted approach. Recently, the Foundation has found itself at discussion tables regarding civic improvements, downtown façade fixes, workforce training programs and neglected property revitalization. This is a good thing because all of these efforts help to attract businesses and talent to Knox County.

We are lucky to live in a community that has maintained its industrial base, has strong civic pride and cooperation, and has undergone significant investment over the last several years. We are also lucky to be a part of Ohio's economic juggernaut, the Columbus Region. The 11 county area basically accounts for all of the growth in Ohio over the past 10 years. More importantly recent large industrial developments in Licking and Fayette Counties will add a turbo-charge to the already growing area. This presents many opportunities in Knox County, but also some challenges.

Attributes	Challenges
In-tact small towns with abundant charm and character	Preparing local governments and population for housing growth
A large manufacturing and healthcare base	Lack of identified “shovel ready” sites for both commercial and residential

Relatively low cost of living	development
Three higher education institutions	Quality, affordable and abundant housing opportunities
Cooperative and forward-looking elected officials	Limited quality workforce to meet the demand of existing employers
	Quality, affordable and abundant childcare

With these challenges and attributes in mind, the Foundation outlines the following as its mission, vision and values. They are presented as guiding principles to assist the community in maximizing its attributes while minimizing the challenges.

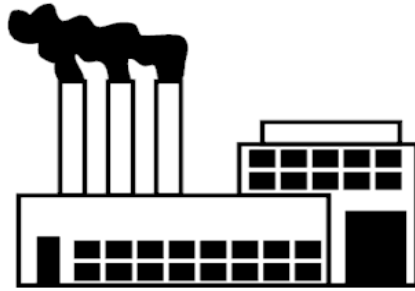
Our **vision** is for Knox County to become a destination of choice where diverse industries, and a diverse population can find abundant economic opportunity.

Our **mission** is to cultivate an environment that creates high quality jobs, match employers to job-ready workers, and support vibrant communities throughout Knox County.

Our **statement of values** sets forth the notion the Foundation serves Knox County as a center of excellence. We operate according to sound public policy theories and business practices. We are professionals representing Knox County as trustworthy, transparent, and informed ambassadors. The materials and information we publish are of the highest quality and stand as authoritative sources of information. Our actions demonstrate that we expend the extra effort.

At the same time, we exercise humility and acknowledge our efforts, in and of themselves, do not grow Knox County's economy or create jobs. We create a business-friendly, networked environment in which employers hire workers, investors spend their money, and neighborhoods are strengthened. We understand economic development to be accomplished through collaboration, and strive to build the capacity for the people, organizations, and initiatives which are doing the hard work.

Over the next three years, the Foundation will pursue economic development based on 3 Pillars: we will identify obstacles and solutions to **create high-quality jobs**; we will **improve talent pipelines and employee retention opportunities**; and we will **encourage the growth of vibrant communities**.



PILLAR ONE: CREATION OF HIGH QUALITY JOBS

The Foundation is focused on helping create jobs within Knox County that pay enough for workers to be financially secure. In this way, we will pursue solutions that create and retain jobs paying residents financially sustainable wages, with benefits and long-term employment prospects.

Higher quality jobs, it can be said, are associated with those types of employers offering services or making products for consumers located within and beyond Knox County's boundaries. Economic base businesses help inject new money into the local economy by selling services or products to nonlocal consumers. They also tend to pay higher wages.

Manufacturing companies are good examples of these kinds of economic base employers; Knox County's relatively strong economic health results from the fact we are still a big manufacturing community. However the County's economy is not based on manufacturing alone, nor do its residents want to work solely in manufacturing.

Goal 1.1: Develop and market inventories of high-quality available land and buildings

Manufacturing is critical to Knox County, comprising a higher proportion of jobs (23 percent) than the other ten counties in the Columbus Region and manufacturing jobs tend to pay above average wages and represent high-quality jobs.

Our economic development efforts are keyed to retaining and attracting new or expanded manufacturing investment. In this competitive environment, in which virtually every community across the country has an economic developer extolling the virtues of his or her own sites and communities, we must take all reasonable steps to gather information, complete due diligence tasks, market, and upgrade an inventory of sites ready for new end users

Knox County's significant manufacturing presence means the utility infrastructure in the ground is appropriately sized and designed to accommodate additional heavy industrial end users. And industrial development in our community is best placed in areas already served by sufficient water, wastewater, rail, electric, and natural gas utility infrastructure. However, outside of Mount

Vernon and the Fredericktown Industrial Park, new “greenfield” areas might need to be identified and developed.

The Foundation will seek to get as many of these sites authenticated under JobsOhio’s SiteOhio program. At the very least, our team will ensure each site meets the following:

- Zoned for Manufacturing (e.g., M-1 or M-1A);
- Set of due diligence studies completed and on-file;
- Subject of professionally prepared marketing materials;
- Listed with a reputable commercial real estate broker; and,
- Appears on all relevant JobsOhio site search databases.

From real property tax relief, low-cost loans, using the Knox County Land Bank for site-assembly, to obtaining JobsOhio grants, the Foundation can get involved in ways that materially impact a project’s financial model. But we will do so smartly and with discernment, carefully designing our incentives to fit high-quality job projects.

Goal 1.2: Implement incentive programs to encourage business attraction and expansion

As the county’s economic development partner, the Foundation has access to a wide array of economic development tools that can encourage businesses to locate or expand in Knox County. These tools are much more than the traditional property tax abatements for new construction however. In today’s environment of high construction costs and inflation, every dollar counts, both for the county and the business. Therefore, the Foundation will maintain and market a comprehensive portfolio of financial incentives that can be targeted toward specific and measurable growth metrics. The programs already in place are:

Enterprise Zones - Most areas of the county
Community Reinvestment Areas - Mount Vernon only
Tax Increment Financing - Mount Vernon only
Property Assessed Clean Energy - countywide

Where programs do not exist, the Foundation will work with the local community to implement the programs so that they are in place and can then be deployed when a project comes along. Just like the old adage, “the best time to plant a tree is 25 years ago, the second best time is now”, the best time to create a program is not when a company is considering Knox County, but rather before. Waiting until needed slows down the process and creates uncertainty within the company that it will receive the incentive it needs to locate or expand in Knox County. Some programs that don’t exist yet in Knox County but could are:

Community Reinvestment Areas outside of Mount Vernon
Tax Increment Financing outside of Mount Vernon
Municipal Income Tax Abatements

Goal 1.3: Conduct regular existing business visits

There is an old saying in economic development that goes “the easiest business to grow is the one that’s already here”. This is definitely true. Our current businesses are the stock in our stable. They should always be prioritized over the potential new business. After all, existing businesses have already made the investment and hired workforce. They have already proven to be successful and should be given top priority. With this in mind, the Foundation will schedule monthly visits to Knox County’s key employers. The purpose of the visit is to privately learn about challenges and opportunities each business faces and help them to identify solutions. When appropriate Foundation board members and other relevant entities will be invited along.

Goal 1.4: Attract abundant affordable housing of all types and price points

Knox County must have good housing options that satisfy the needs of our residents, from high quality rentals, mid-priced single-family houses, to housing for professionals, all located in intact and safe neighborhoods. The Foundation is aware of Knox County’s relative lack of available housing – of a good quality – for middle-income residents. And we are further aware that working-class neighborhoods in Knox County are suffering from disinvestment, neglect, and lower numbers of owner-occupants. Finally, we know managers and professionals are choosing to commute into Knox County from New Albany, Granville, and Delaware given the relative lack of high-end housing options in our community.



PILLAR TWO: CONNECTING EMPLOYERS TO LOCAL TALENT POOLS

The Foundation hears local employers’ universal frustration that good workers are difficult to identify and hire in the current environment. With Knox County’s unemployment rate at 3.2% (Dec 2022), one may say we are at universal employment, but there are some workers left out of employment locally. That said, there are steps the Foundation can take to identify or re-engage with job-ready and willing workers.

To meet this challenge, and through much hard work during the past several years, Knox County’s workforce development system has formed itself into a task force-type organization, known simply as WorkDev. Building on its past success and refocusing its efforts through the

2019 Workforce Needs Demand Study and the 2022 Worker Needs Assessment, WorkDev now has a clear mission: to create and improve career pathways and talent retention for local manufacturing and healthcare employers. For example, WorkDev is striving to identify career pathways for those who lack childcare opportunities, commute outside of the county for work, those looking to reskill, graduating seniors and local college students looking for work in the county. For talent retention, WorkDev hosts corporate culture, management, and other trainings. Since WorkDev is a collaborative effort, much of this work can be done by other partners. However, the Foundation does maintain a unique role in the organization. Primarily, this role involves coordinating efforts, building relationships and deploying unique knowledge and resources. To these ends, the Foundation sets the following goals:

Goal 2.1: Continue coordinating WorkDev

In 2018, the Foundation assumed the coordination of the WorkDev into a group with a clear mission. It should continue to do so over the next three years. The Foundation's unique role as clearinghouse of information, deep network local and state of relationship, and access to funding make it the clear choice to continue its role as coordinator of the disparate educational, nonprofit and for-profit stakeholders. Moreover, the Foundation is the only organization with the mission of coordinating efforts across the community and building capacity among local stakeholders across Knox County. Its unique role makes it indispensable to WorkDev's efforts.

Recently, the Foundation and the local Ohio Means Jobs center worked together to create the Knox County Workforce Needs Assessment. This study analyzed local workforce trends and worker preferences among local manufacturing and healthcare companies. The recommendations resulted in the creation of five committees and numerous initiatives. The Foundation will continue to coordinate these committees and strategically support its resources in support of these initiatives.

Goal 2.2: Ensure stable funding for the Career Navigator

Conceived of by the Foundation in 2018 and implemented through a partnership with the Knox County Educational Service Center, the Foundation and WorkDev, the Career Navigator position has become a regional best-practice model for creating connections between local graduating seniors and local employers. It is the mission of the Career Navigator to serve as a post-high school mentor for traditional and digital high school students who are unsure of their post high school plans. Initially, the position received temporary grant funding, which has run out. Ideally, the position will be funded through a combination of local schools and partner businesses for a multi-year commitment. Thus far, some success has been made on this front, but the position still remains partly grant funded.

Goal 2.3: Increase childcare opportunities for local workers in Knox County

The lack of abundant and affordable childcare opportunities is a persistent and acute problem, not just in Knox County, but around Ohio. The Foundation has already conducted a childcare

needs assessment with the county's major manufacturing and healthcare employers, so the childcare gap is known. For reference, the county is short about 1,800 childcare spots to meet the current demand. The current availability is only about 900 spots, the shortage is extreme. Unfortunately, there is no silver bullet to increasing spots quickly. Federal and state mandates, talent shortages and high construction costs all play a role in limiting opportunities. However, the Foundation does have a role to play. Trading on its connections with schools, local and out-of-county providers and landowners, the Foundation will work to increase opportunities by exploring the creation of after school care with local schools, new construction of additional facilities and retrofitting existing buildings into childcare facilities. Again, given its unique mission and role in the community, the Foundation is ideally suited to address this complex and persistent issue.



PILLAR THREE: ENCOURAGING THE GROWTH OF VIBRANT COMMUNITIES

In a low unemployment environment, workforce availability is a key determinant of success. The Foundation fully understands the relationship between economic growth, population, and housing. Unfortunately, Knox County has experienced little population growth and a relative decline in the quality and/or availability of its middle-income housing stock. At the same time, local employers continue to demand large numbers of qualified workers.

Compounding this local demand is the population growth and announcement of multiple-thousand jobs "mega projects" in the Columbus Region. We know from planning studies the Columbus Region will top 3 million people by 2050. Simply put, Knox County will grow and its communities must be ready to accommodate this growth. Like it or not, Knox County will grow. It's that simple. We cannot take a head-in-the-sand approach and ignore it, because it will come anyway. Instead the county should embrace the growth as an opportunity to fill unmet job demand, attract new economic opportunities like new shopping and dining, and increase the tax base to pay for the ever increasing cost of utilities and services. However, not all growth is good growth so the county must prepare itself to attract the growth that it wants to see and then channel it to fit the community's goals and values.

Furthermore, the Foundation fully understands the need to offer aesthetically pleasing, welcoming and safe downtowns and decent neighborhoods throughout Knox County, both for its new and existing residents. Site selectors frequently visit downtowns to ascertain a

community's vibrancy before deciding to locate there. Therefore, attractive and vibrant communities are necessary for attracting quality businesses and residents. As the saying goes, "Companies with high standards, won't move to a community with low standards".

So, much like Pillar One, the Foundation's mission here should be around helping communities to increase their knowledge of development best practices, their ability to accommodate growth and provide planning to formulate strategies for responsible growth.

Goal 3.1: Lead planning and implementation efforts.

With the impending impact of the Columbus Region's growth, Knox County must be prepared. These preparations should take the form of collaborative professionally-done plans. Planning is a long-standing industry best practice that allows communities to collaborate on their goals and to identify strategies to accomplish the goals. From smaller strategic plans to the planned 2023 Knox County Comprehensive Plan revision, the Foundation will continue its role as key player, and sometimes catalyst, for planning efforts. The Foundation will also continue its role as thought leader for future planning efforts.

The Foundation will also continue its role as facilitator of implementing the plans. Following in the model of the 2019 Village Strategic Plans, the Foundation will assist communities with implementing recommendations made in the plans. Understanding, though, that the Foundation only has so much capacity, it will have to be strategic in what initiatives it assists each community with

Goal 3.2: Implement programs to accommodate growth and build capacity.

Much like Goal 1.2, the Foundation has at its disposal a number of programs that can incentivize growth, particularly outside of Mount Vernon. The purpose of these programs is not solely to make it cheaper for a developer, but to reduce their costs, thus increasing supply and lowering prices. They are also designed to provide new funding streams to the local jurisdictions that can offset some of the development costs associated with growth, and stem the need for increased fees and taxes on local residents. Available programs that could be implemented include:

- Special Improvement Districts
- Downtown Redevelopment Districts
- Joint Economic Development Districts
- New Community Authorities
- Community Reinvestment Areas
- Residential Property Assessed Clean Energy

Goal 3.3: Conduct educational programming designed to increase local officials' understanding of development opportunities, pressures, and programs.

Knox County in general, and Mount Vernon specifically, has not experienced significant growth

since the 2008-2009 Great Recession. Many of the elected officials in office then have moved on and those that are still in office may just be out of practice of the development process. Here, the Foundation can conduct educational sessions and training for local elected officials about the development process, financial incentives, advantages and disadvantages to growth and community best practices to help them better understand how to maximize the benefits of and challenges to economic growth. These educational opportunities can be held in specific communities, when needed, but should generally be targeted at elected officials countywide. The Foundation will hold a training session at least annually.